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IBM Financial Transaction Manager for Corporate Payment Services
IBM Redbooks Solution Guide

IBM® Financial Transaction Manager for Corporate Payment Services provides prebuilt support for processing corporate payment transactions. Clients can use the capabilities of Financial Transaction Manager, including the robust and scalable platform, to handle large volumes of corporate payment transactions. Financial Transaction Manager also introduces a rich, new set of payment services and capabilities, which range from client onboarding to transaction ingestion, transaction management, and transaction distribution, with overall financial governance. Plus, it provides an operational user interface.

Financial Transaction Manager for Corporate Payment Services offers several capabilities to make secure payment services for clients, internal bank applications, and exchanges with other financial institutions. Figure 1 shows how Financial Transaction Manager for Corporate Payment Services facilitates straight-through processing of corporate accounts-payable expenditures through a single file.
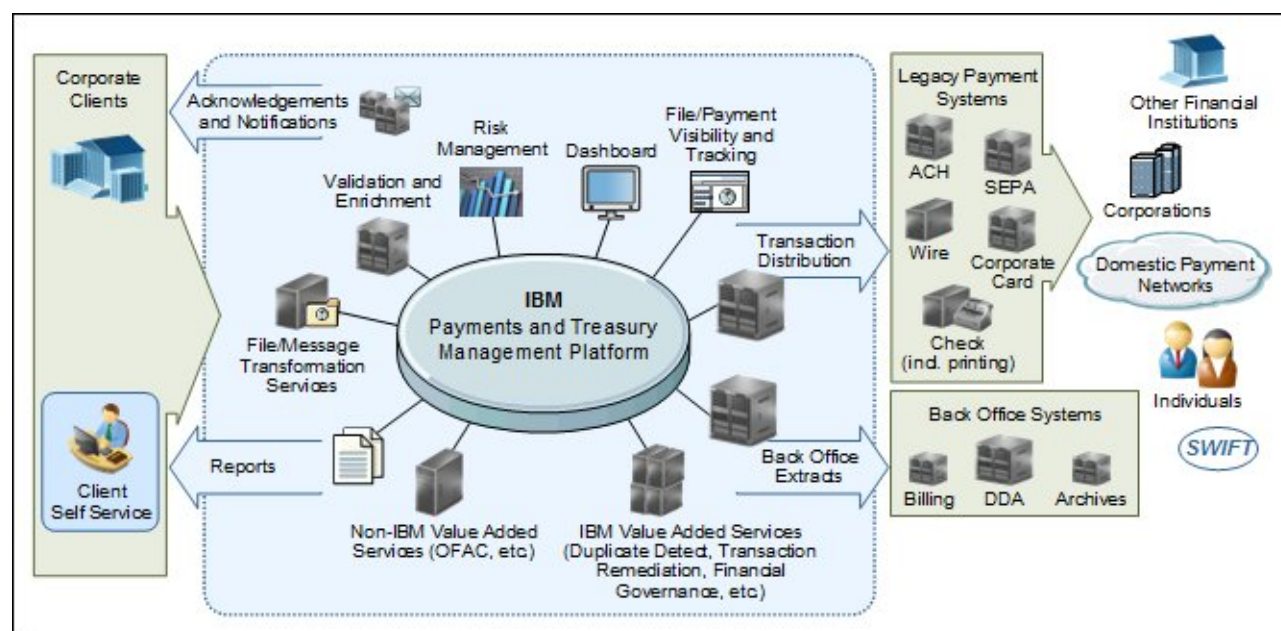

Figure 1. Financial Transaction Manager for Corporate Payment Services straight-through processing

Did you know?

Global non-cash transaction volumes for all payment types (excluding checks) are growing, and are expected to continue to grow 6% - 13% year-on-year through 2016. This growth has created an opportunity for banks to go beyond providing treasury services to expand their business and relationships with corporate clients

Business value

IBM Financial Transaction Manager for Corporate Payment Services is an enterprise payment processing platform that addresses many issues that face financial institutions today. Corporate Payment Services is targeted as a platform to provide the following features:

- Multichannel integration across many payment origination sources
- The system configuration to define inbound and outbound products, add-on services, billing for said products and services, and client configurations that can be associated with these defined products and services
- Business rules management system to control the validation, enrichment, and processing of transactions in the system
- The ability to process various payments, including EFT, ACH, wire, and bill payment as examples
- The ability to manage real-time and batch payments in a single solution
- A mapping service with a design studio to enable customization of delivered payment maps and the creation of custom maps for payment type extensions
- Remediation services for exception processing
- The ability to track and manage the progress of business transactions through a series of synchronous and asynchronous interactions
- Distribution capabilities to internal and external destinations based on defined schedules, thresholds, or manual operations
- Extensibility, which provides the ability to easily add more business services
- High availability, security, reliability, and scalability
- Audit and traceability requirements
- Financial tracking and governance for end-to-end balancing, system totaling for line of business charge-back management and settlement
- Business day management capabilities for current and future dated transactions, deadline and financial boundary processing
- An open system, which includes the web services, integration tools, framework, and system development kit to facilitate integration of existing bank systems, corporate portals, and third-party business services

Solution overview

IBM Financial Transaction Manager for Corporate Payment Services offers the following key features:

- Client and entitlement configuration

  - Client attributes, including identification (such as IBAN and ABA), contact information, and role-based attributes
  - Client subscriptions to products add add-on services
  - Expected inbound transmissions by client
  - Outbound transmission cutoff and deadlines by delivery type

- Robust system configuration

  - Product and add-on service configuration
  - Multitenant support

- File transformation capabilities

  - Mapping of data for inbound and outbound files from virtually any input format to virtually any output format
  - CPA, EDI x12 (820, 824, 997, 829, 827), flat files (proprietary client format)

- Transaction validation and enrichment

  - Detailed rules-based semantic, syntactic, and payment scheme-specific validation of incoming transactions
  - Transaction enrichment services based on client configuration
  - File-level and batch-level duplicate detection

- Robust acknowledgements

  - File acknowledgements in multiple formats (transmission, Internet, and email alerts) per customer preference
  - Options for acknowledgements, including upon receipt of file, upon validation of file contents, and upon a file being processed or delivered to a back-end system

- Transaction distribution

  - Ability to originate multiple payment types by using a single file of payment instructions, including ACH (domestic and international), wire (domestic and international), check (domestic and foreign draft), and commercial card

- Settlement accounting

  - Financial totaling of all transactions
  - End-to-end financial governance

- Full process visibility

  - Robust online management system for a 360-degree view of a client's transactions

- Auditing and logging

  - Robust auditing for all automated and manual transaction enrichment, correction, or both
  - Comprehensive logging of all transactions and activities within the processing environment

Solution architecture

At the heart of the solution architecture is IBM Financial Transaction Manager, which capitalizes on the proven messaging middleware foundational products of IBM WebSphere® Message Broker and WebSphere MQ. Financial Transaction Manager extends the middleware process management capabilities to account for state management, auditability and accountability that are needed when processing financial transactions.

Surrounding Financial Transaction Manager are specialized data and common services components that support processing by creating a reusable framework to meet batch and online processing requirements.

Incoming transactions are debulked and stored within the Financial Transaction Manager repository in an Internal Standard Format based on the ISO 20022 standard. Processing of the transactions is then performed and managed by a process that will be defined based on the required business process to the transaction type or business channel.

Supporting Corporate Payment Services specific services are then called to run the actions that are needed throughout the defined end-to-end transaction processing flow. In the final steps, the transactions are transformed and distributed to the target systems or destinations in the required formats.

Within the Services Framework are the Corporate Payments Services, which consist of pre-built common services that are developed by IBM. The pre-built services include services to perform common industry payment functions such as the following functions:

- Receipt

  - Acknowledgements of the receipt of a transmission, such as a file or message
  - Product and add-on service assignment and deadline management
  - Originator identification and authorization
  - Mapping and validation of transactions
  - Enrichment of transactions, transit identification, account number translation, auto correction rules, method of payment selection, billing code assignment, settlement accumulator assignment, destination routing, and more

- Risk management

  - Duplicate checking for transmissions and batches, and optionally at the item level (by using a separate service)
  - Limit checking at the master or subaccount level by payment standard or inbound product, or at a summary level across a rolling number of business days
  - Interfaces for calling to a remote service for accounts that require prefunding
  - Exception management UI, tools, and support for risk officers

- Processing

  - Holding of future dated payments and automated processing on the processing date
  - Delivery of acknowledgements or advice to clients
  - Financial governance by using settlement totaling and feed to the back-office settlement system
  - Billing feed to the back-office billing system

- Process out

  - Logical grouping of transactions for batch or real-time payments
  - Threshold management for batch transactions based on the amount, number of transactions, or transmission size
  - Cutoff and deadline management for transmission delivery

- Delivery

  - Output files and messages

- Overall management

  - Various reports for data mining, for example
  - Technical User Interface for technical support of the platform
  - Operational User Interface to support operations staff in managing the system
  - Dashboard User Interface for a higher level view of the platform
  - Web Services Library for integration into more systems in the bank enabling monitoring and management

Figure 2 illustrates the flow of these functions for payment processing.

Payment Processing

Receipt	Risk Management	Process (in)
• Handshake • Control total verification • Assign business day • Authorize roles • Authorize products • Duplicate file detection • Validate per standard • Acknowledgements	• Client transaction limit • Account monitoring • Duplicate item detection	• Create return items • Assign settlement data • Generate settlement • Generate billing

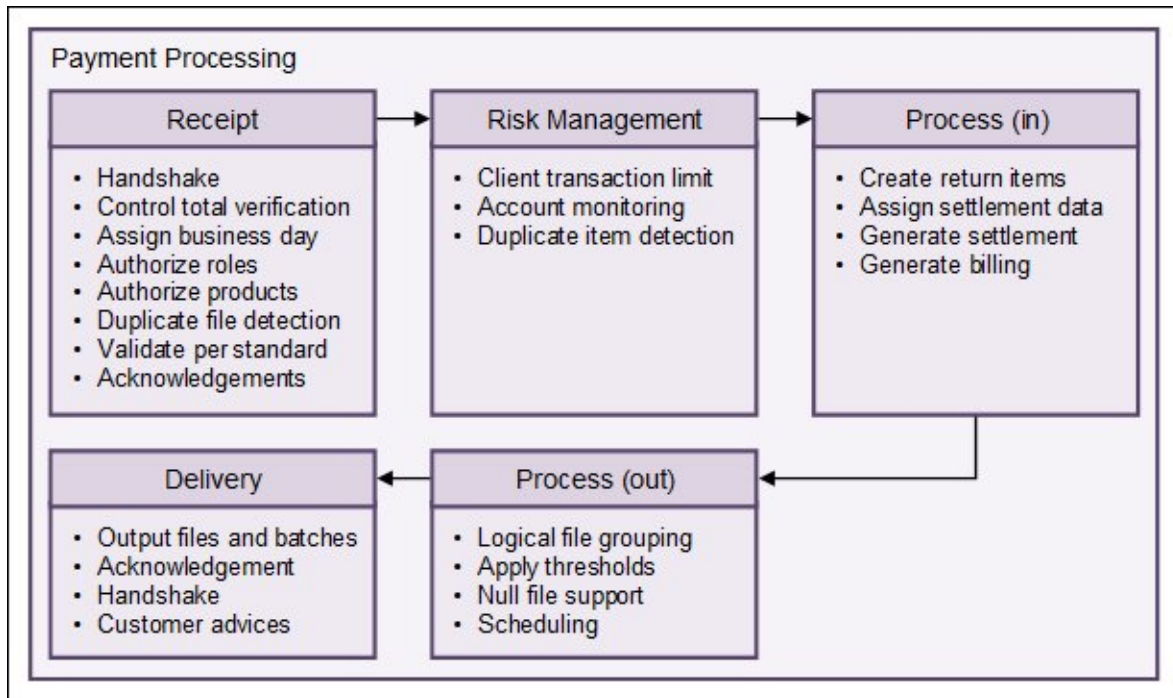| Delivery	Process (out)
• Output files and batches • Acknowledgement • Handshake • Customer advices	• Logical file grouping • Apply thresholds • Null file support • Scheduling

Figure 2. Payment processing

Usage scenarios

Figure 3 illustrates a deployment scenario of IBM Financial Transaction Manager for Corporate Payment Services. It shows how the Corporate Payment Services feature of Financial Transaction Manager can replace an existing payment services hub.
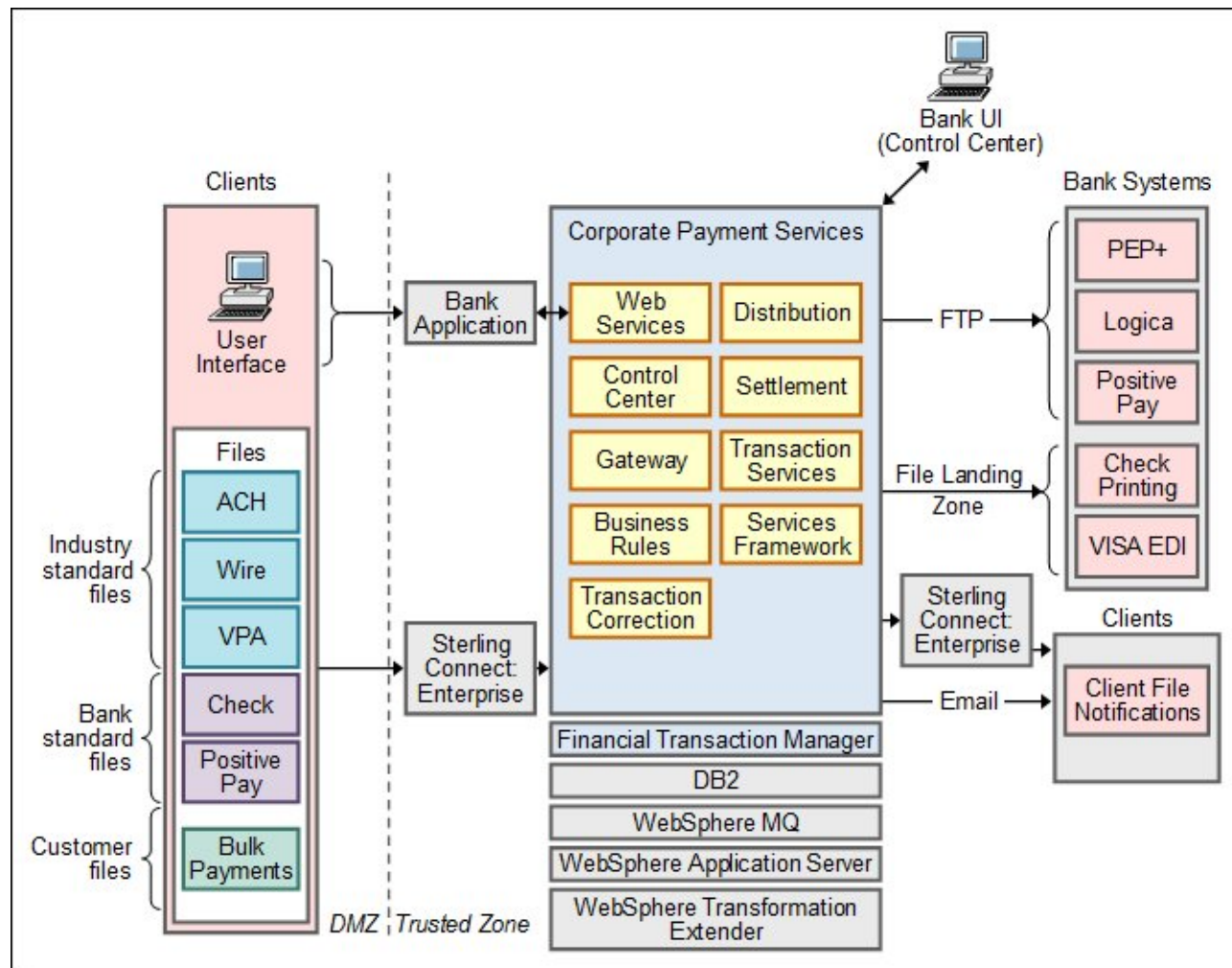

Figure 3. Usage scenario of Financial Transaction Manager for Corporate Payment Services

Integration

IBM Financial Transaction Manager for Corporate Payment Services integrates into an Integrated Payable Solution that uses a single file transfer between banks and customers. The complete solution integrates Financial Transaction Manager with Sterling File Gateway and WebSphere Transformation Extender. The integrated solution provides the following support for clients:

- Upload or download of files
- Search for routes that clients participated in
- View recent activity and status for file transfers that clients participated in
- Generate reports for activities that clients participated in

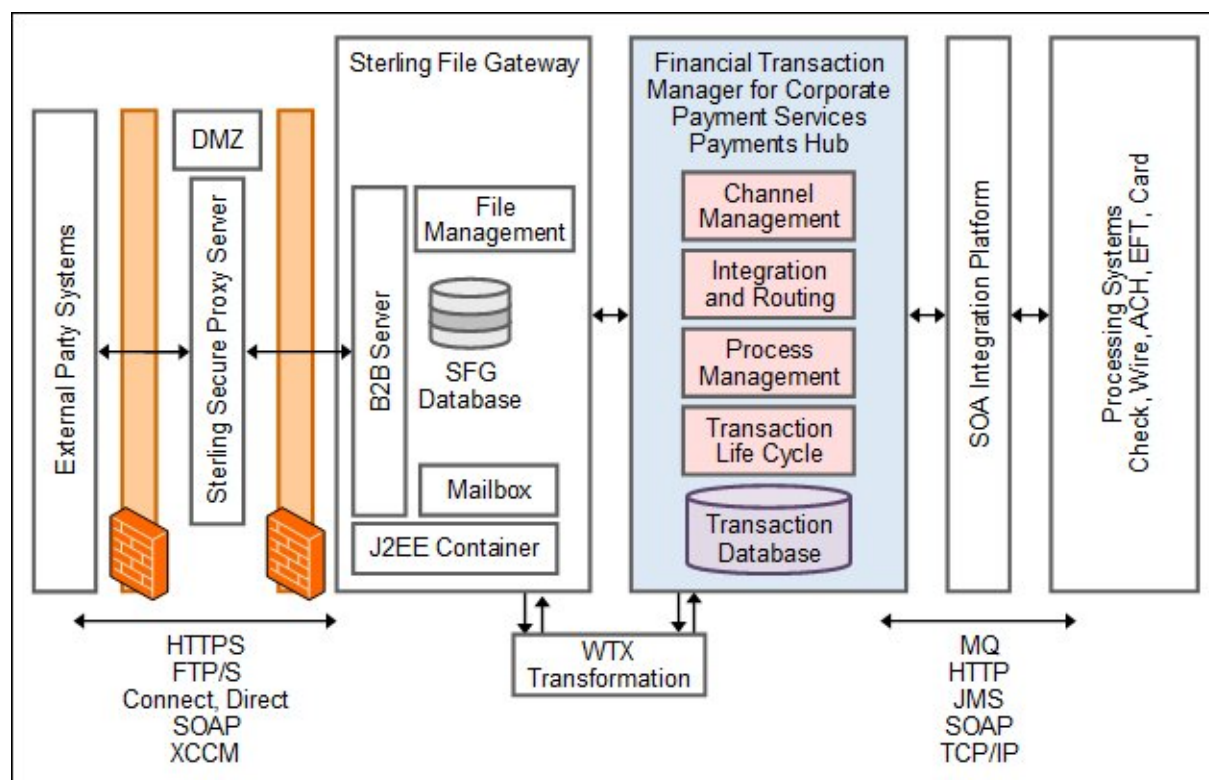Figure 4 shows the Integrated Payable Solution.

Figure 4. Integrated Payable Solution

Supported platforms

For more information, see "Detailed hardware and software requirements for IBM Financial Transaction Manager offerings" at:
http://www.ibm.com/support/docview.wss?uid=swg27027034

Ordering information

Table 1 shows the ordering information for IBM Financial Transaction Manager for Corporate Payment Services.

Table 1. Ordering information

Program name: IBM Financial Transaction Manager V2.0 for Multiplatform Program PID: 5725-F79	
Part number	**Part description**
E0F4HLL	FTM for CPS Per Resource Value Unit Annual SW S&S Rnwl
D0V57LL	FTM for CPS Per Resource Value Unit Lic + SW S&S 12 Mo
D0V58LL	FTM for CPS Per Resource Value Unit SW S&S Reinstate 12 Mo

Related information

For more information, see the following documents:

- IBM Financial Transaction Manager product page
  http://www.ibm.com/software/industry/financial-transaction-manager

- IBM Offering Information page (announcement letters and sales manuals):
  http://www.ibm.com/common/ssi/index.wss?request_locale=en

  On this page, enter `Financial Transaction Manager for Corporate Payment Services`, select the information type, and then click **Search**. On the next page, narrow your search results by geography and language.

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